

UNITED STATES DEPARTMENT OF COMMERCE  
BUREAU OF EXPORT ADMINISTRATION  
WASHINGTON, D.C. 20230

|                             |   |
|-----------------------------|---|
| In the Matter of :          | ) |
|                             | ) |
| HUA KO ELECTRONICS-CO. LTD. | ) |
| 9 Dai Shun Street           | ) |
| Tai Po Ind. Estate          | ) |
| Tai Po, New Territories     | ) |
| Hong Kong,                  | ) |
|                             | ) |
| <u>Respondent</u>           | ) |

ORDER

On November 29, 1989, the then-Under Secretary for Export **Administration**, Dennis E. Kloske, entered an Order (hereinafter “the 1989 Order”) affiing the Administrative Law Judge’s (ALJ) October 30, 1989 Recommended Decision and Order entered against Hua Ko Electronics Co., Ltd. (**Hua Ko**).<sup>1</sup> The ALJ found that Hua Ko had violated the Export Administration Regulations and recommended that Hua Ko’s export privileges be denied for a period of 15 years, to run concurrently with an Order entered on July 29, **1988**,<sup>2</sup> until the full 15-year period expired. The denial imposed against Hua Ko will expire, by its own terms, on November **28, 2004**.

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<sup>1</sup> The 1989 Order was entered **affirming** the ALJ’s Recommended Decisions and Orders entered against Hua Ko and Ji Wai Sun on October 30, 1989. At the time of the 1989 Order was issued, the Regulations were found in the 1989 version of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1989)).

<sup>2</sup> The July 29, 1988 Order was entered by the then-Under Secretary for Export Administration, Paul Freedenberg, affirming the ALJ’s June 30, 1988 Recommended Decision and Order against various parties including Hua Ko.

On November 4, 1999, BXA and Hua Ko entered into a Settlement Agreement to settle allegations that it violated the terms of the 1989 Order. In reaching that agreement, BXA agreed that certain portions of the sanctions agreed to would be suspended. BXA agreed to the suspension because of (1) Hua Ko's significant cooperation in a range of investigatory matters, including the transactions covered by the Settlement Agreement; (2) significant changes in Hua Ko's senior management; (3) Hua Ko's implementation of an export compliance program, including its commitment to comply with U.S. and Hong Kong export control laws; and (4) the relatively low-level of the classification of the U.S.-origin goods obtained by Hua Ko, coupled with the types of consumer goods produced by Hua Ko. BXA also agreed to move that I suspend the remaining denial period of the 1989 Order, which would thereafter be waived, provided that Hua Ko has committed no violation of the Act or any regulations, order or license issued thereunder. BXA has moved that I so modify the 1989 Order.

Based on the factors enumerated by **BXA**, I hereby determine that it is appropriate to modify the 1989 Order and therefore grant **BXA's** motion.

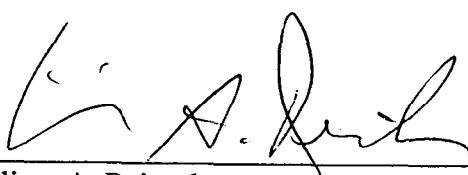
ACCORDINGLY, IT IS THEREFORE ORDERED,

FIRST, that, as authorized by Section 766.17(c) of the Regulations, I hereby modify the 1989 Order **affirming** the **ALJ's** Recommended Decision and Order entered against Hua Ko by suspending the remaining period of denial imposed pursuant to that Order until November 28, 2004. The suspended denial period shall, thereafter be waived, provided that, during the period of suspension, Hua Ko has committed no violation of the Act or any regulation, order or license issued thereunder. This suspension shall take effect on the date that this Order is signed.

SECOND, that this Order shall be served on Hua Ko and on BXA, and shall be published in the *Federal Register*.

This Order, which constitutes the final agency action in this matter, is effective immediately.

Dated: Dec. 21, 1999

  
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William A. Reinsch  
Under Secretary for  
Export Administration